



*Executive Officer's
Report to the Board
April 23, 2004*

Board Updates

Trauma Recovery Center Receives Award

The University of California, San Francisco, Trauma Recovery Center at San Francisco General Hospital will be receiving the 2004 Safety Net National Award for Patient Services. The Board supports a demonstration project in partnership with the Trauma Recovery Center. The four-year project is designed to increase crime victims' access to mental health and clinical case management services.

The Trauma Center is the only program in the country to be receiving this award from the National Association of Public Hospitals (NAPH). The Center will be recognized at an awards ceremony at NAPH's annual conference in June. In a letter to the Board announcing the award, Dr. Alicia Boccellari, Executive Director of the Trauma Center, said, "this award also belongs to you and your staff. It has been such a wonderful collaboration and partnership. A partnership that I believe has had a major impact on the people we serve."

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Victim Compensation

Board Pilots New Quality Assurance Procedure

A regional manager in the Victim Compensation Program has designed a new Quality Assurance (QA) procedure with the help of three QA staff members. While the Program has existing QA procedures in place, a system with better consistency and measurement was needed.

Claims processing errors can be divided into two categories: critical and non-critical. The ability to track critical errors is important, since they impact the program financially if undetected. The new QA procedure tracks whether errors are critical, then breaks down these errors by type, such as: wrong crime code; crime relatedness of the bill; whether reimbursement sources have been considered; etc.

Using standardized definitions of errors, the process tracks them automatically on a spreadsheet. Management is provided with real time data on individual and team performance. By tracking the specific types of errors made and trends in errors made by specific staff, teams, or regions, Program management now has an excellent training tool. The measurements help provide feedback in a quick and forthright manner. Should a particular staff member keep repeating an error, such as not considering other reimbursement sources, that employee can be notified and correctly trained on that issue.

The new procedure was developed in response to internal and external audits. By reducing errors made while processing claims, the Program will better serve victims of crime.

In March, the Victim Compensation Program began using this new process for staff working claims from the Southern Region of California. After one month, the Southern Region saw a 5 percent decline in error rate, a 5 percent decline in return rate, and a 50 percent increase in QA productivity. The Southern Region manager and QA personnel will be working with the other regions and the 22 Joint Powers units that process claims throughout California to begin testing the new QA procedure Boardwide within the next few months.

Committee Develops Criteria for Joint Powers' Budgets

The Board contracts with 22 counties for processing and oversight of Victim Compensation Program claims. These county Joint Powers units (JPs) provide substantial assistance, helping the Program serve increasing numbers of victims of crime. Last year, JPs performed initial verification on more than 60 percent of all Program applications.

JP workload increased during the past three years, resulting in higher contract expenses. In Fiscal Year (FY) 01/02, total JP contract costs were \$12 million. In FY 02/03, the Board worked with the counties to reduce the budget amount by 10 percent, to \$10.8 million. Total JP funding requests in FY 03/04, however, rose to \$12.1 million.

Much of the increase reflects salary and benefit costs due to county employee agreements. The Board, however, needs to cut administrative costs and develop methods for reducing the overall JP budget. In March, Board staff met twice with an ad hoc committee representing the Victim Witness Coordinating Council. The committee discussed criteria for making JP budget decisions. The committee recommended criteria such as: a JP productivity ranking (e.g. cost of processing a claim and number of claims produced), inventory size, recent history of JP budget reductions, and other measures of effectiveness, including error rates and customer feedback.

For FY 04/05 these criteria will be used to shift workload and make decisions on filling vacancies. Low performing JPs may be held at their current staffing levels, and workload may be shifted to higher performing JPs. In mid April, Board staff analyzed various JP performances and began shifting workload to maximize productivity.

The committee suggested considering other structures, including expansion of 'regional' JPs to improve efficiency. Another proposal was defining minimum standards for a JP, including baseline funding, staffing and production expectations, and measures of overall cost effectiveness.

Board Staff Briefs Victim Witness Coordinating Council

The Victim Witness Coordinating Council (VWCC), composed of Victim Witness Coordinators from all 58 counties, works closely with the Victim Compensation Program in serving victims. The Council's Board of Directors meets quarterly and routinely invites Board staff to provide an update on various Program issues.

Pete Williams, Deputy Executive Officer - Victim Compensation Division, met with the Board of Directors on April 7. Mr. Williams discussed Joint Powers' (JP) budgets and projected

workload (which has dropped by 19 percent); the Board's financial condition, including the need to reduce administrative costs; the Board's study of medical and dental rates; and the survey of Victim Witness staff regarding the effect of rate changes and other cost containment initiatives on the access of victims to services. The VWCC recognized the Program's budget situation and pledged to help resolve problems, reduce costs, and balance workloads while continuing to serve victims.

Revenue Recovery

Court Appearance Results in Restitution for Board

On March 26, Revenue Recovery and Appeals Division (RRAD) staff appeared under subpoena at an unusual restitution hearing in Butte County Superior Court. The defendant is shortly to inherit approximately \$50,000 from his mother's estate, and it was essential that the Board file a probate lien once the outcome of the hearing was known. The Board was seeking a restitution order of \$28,969 for medical and mental health expenses paid by the Victim Compensation Program to a victim. The victim also requested a restitution order for uncompensated out-of-pocket and future losses. The judge ordered \$28,969 to the Board, \$54,000 to the victim for losses uncompensated out-of-pocket expenses, and \$117,105 to the victim for the "present value of the victim's future losses." This is the first time the Board is aware that a judge has ordered restitution for future losses.

Restitution Specialists Realize Increase in Fines/Orders

The Criminal Restitution Compact (CRC) contracts are RRAD's key tool for increasing restitution fine impositions and direct restitution orders to the Board. The Board funds 36 restitution specialist positions and one student assistant position through 24 CRCs in 22 district attorney offices, one city attorney office, and one county probation office. Restitution specialists have assumed a unique role as the countywide restitution legal resource and are usually the only county staff member assigned to handle restitution issues.

By monitoring and tracking offenders linked to victims with eligible Victim Compensation Program claims, the specialists ensure that restitution fines and orders are imposed in all appropriate cases. The deputy district attorneys, deputy city attorneys, and/or probation departments are kept informed of the actual benefits paid by the program. They, in turn, provide the courts with accurate information at the time of sentencing, helping the courts to impose restitution fines and orders.

When restitution specialists are involved prior to the offenders' sentencing, the Board receives more restitution orders on program claims. In FY 2001/02, the Board received restitution orders in 48 percent of the claims. In FY 2002/03, the Board received restitution orders in 66 percent of the claims. In the first eight months in FY 2001/02 restitution orders were received in 74 percent of the claims, for an overall increase of 54 percent over three years.

The dollar amount of restitution ordered has increased as well. In FY 2000/01, the restitution specialists were responsible for \$15.9 million in restitution fines and orders imposed on the

Board's behalf. This amount increased to \$18.8 million in FY 2001/02 and \$25.5 million in FY 2002/03, for an overall increase of 60 percent over three years.

Success Continues for Post Parolee Collection Program

The Board's restitution recovery project with the Franchise Tax Board (FTB) is in its fourth month. The Court Ordered Debt Collection Program collects restitution fine debt from post-parolees. As of April 14, the FTB has collected \$363,262.78 in outstanding restitution fine debt, remitting \$308,788.39 to the Restitution Fund and retaining \$54,474.39 in administrative fees.

Training and Outreach

On March 31, David Shaw, Deputy Executive Officer - Revenue Recovery and Appeals Division, and Deborah Bain, Staff Counsel, provided training on restitution to deputy district attorneys in Los Angeles.

On April 14-16, revenue recovery staff and staff from the California Department of Corrections provided joint training on restitution to approximately 120 adult and juvenile probation officers in Los Angeles County.

Upcoming Trainings

On April 27-28, revenue recovery staff will provide training on restitution to adult and juvenile probation officers in Riverside County.

Upcoming Events

(The conferences and events listed below are for informational purposes only.)

April 26-28 Rez Violence: Prevention and Intervention

Sponsored by the National Indian Justice Center, this conference focusing on violence on Indian reservations will be held April 26-28 in San Diego. For more information, call (707) 579-5507.

April 30-May 1 Violence in the World of Our Youth Mini-Conference

Sponsored by the Family Violence and Sexual Assault Institute, this mini-conference will be held April 30-May 1 in San Diego. For more information, call Rocky Rowley at (858) 623-2777, ext. 442.

May 24-27 The California Peace Officers' Association Annual Training Conference

The 2004 Annual Training Conference for the California Peace Officers' Association will be held May 24-27 at the Embassy Suites in South Lake Tahoe. For more information, call (916) 263-0541.

May 25-28 Third National Sexual Violence Prevention Conference

Sponsored by the California Coalition Against Sexual Assault, the "Building Leadership and Commitment to End Sexual Violence" conference will be held May 25-28 at the Westin Bonaventure Hotel in Los Angeles. For more information, call (916) 446-2520

June 28-July 2 California District Attorneys' Association Summer Conference

The 2004 Summer Conference will be held June 28-July 2 at the Silverado Resort in Napa. For more information, call (916) 443-2017.

June 30-July 2 Fifth Annual Conference on Indian Families

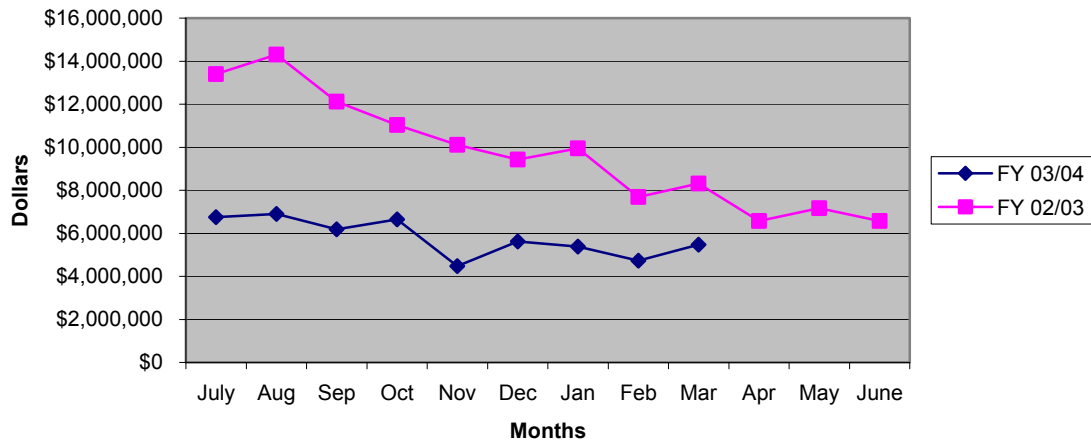
Sponsored by the National Indian Justice Center, the "For All My Relations" conference will be held June 30-July 2 at the Marriott Hotel & Marina in San Diego. For more information, call (707) 579-5507.

Victim Compensation Program Activity

VCP PAYMENTS

Fiscal Year Comparison	Month of March	Fiscal Year to Date	% Change from Prior FY
FY 03/04	\$5,476,629	\$52,158,772	-67%
FY 02/03	\$8,308,541	\$96,333,135	

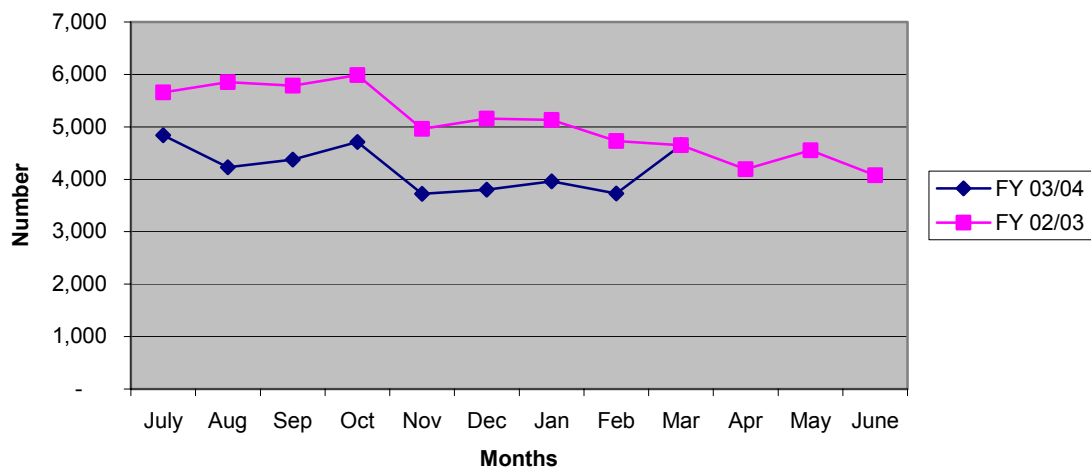
Payment Awards



VCP NUMBER OF APPLICATIONS RECEIVED

Fiscal Year Comparison	Month of March	Fiscal Year to Date	% Change from Prior FY
FY 03/04	4,648	38,010	-21%
FY 02/03	4,648	47,911	

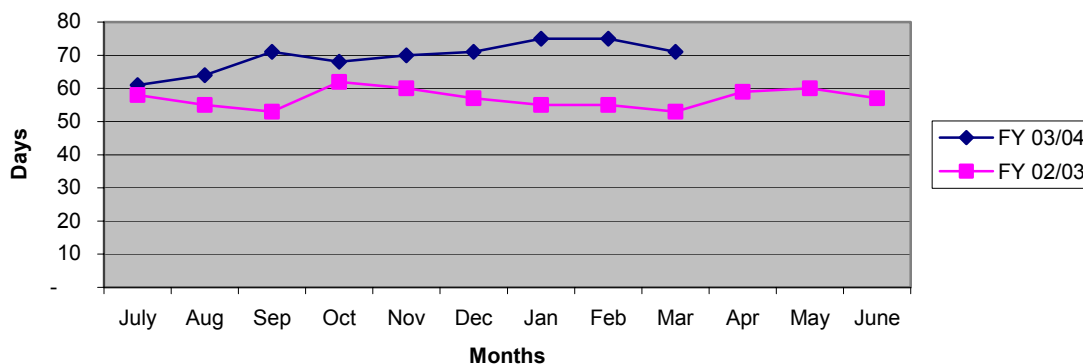
Number of VCP Applications Received



VCP APPLICATION PROCESSING TIME¹ IN DAYS

Fiscal Year Comparison	Month of March	Fiscal Year to Date	% Change from Prior
FY 03/04	71	70	24%
FY 02/03	53	56	

VCP Application Processing Time

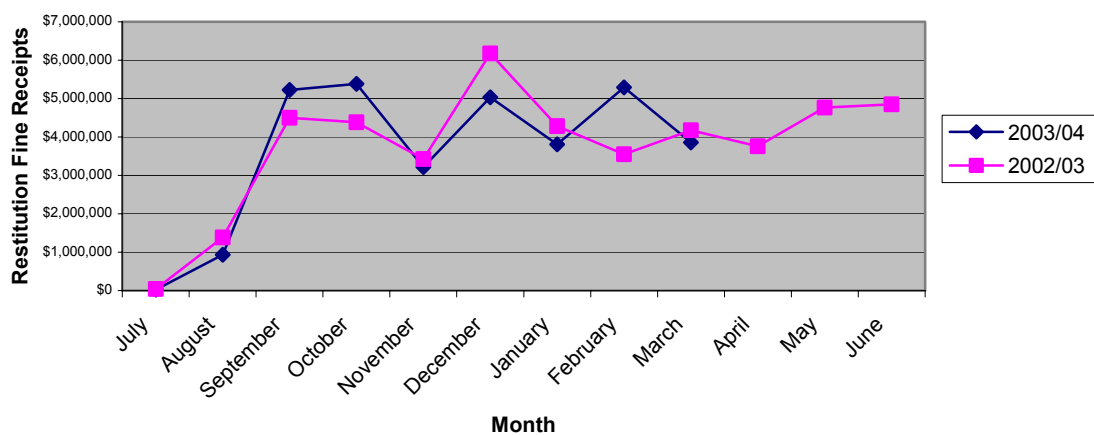


Revenue and Recovery

RESTITUTION FINES

Fiscal Year Comparison	Month of March	Fiscal Year to Date	% Change from Prior FY
FY 03/04	\$3,856,114	\$32,780,589	3%
FY 02/03	\$4,174,344	\$31,903,332	-

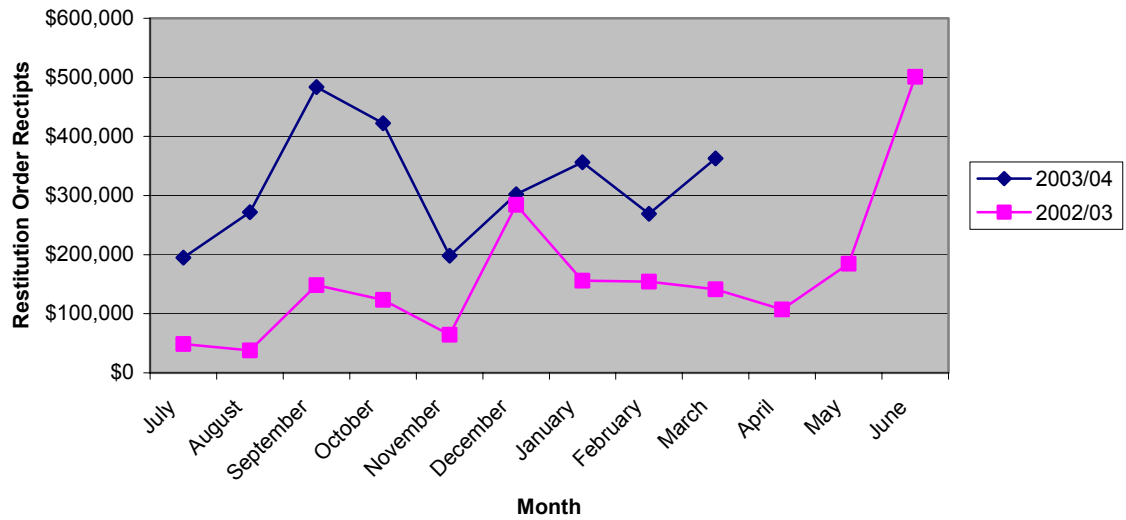
Restitution Fine Receipts By Month



RESTITUTION ORDERS

Fiscal Year Comparison	Month of March	Fiscal Year to Date	% Change from Prior FY
FY 03/04	\$362,689	\$2,861,666	147%
FY 02/03	\$141,487	\$1,158,608	-

Restitution Order Receipts By Month

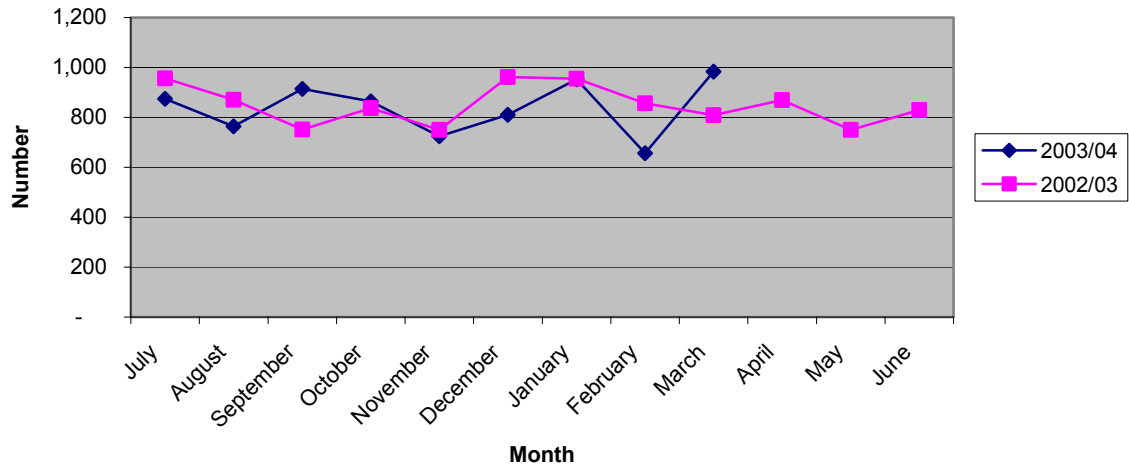


Government Claims

GOVERNMENT CLAIMS RECEIVED

Fiscal Year Comparison	Month of March	Fiscal Year to Date	% Change from Prior FY
FY 03/04	983	7,543	-3%
FY 02/03	809	7,748	-

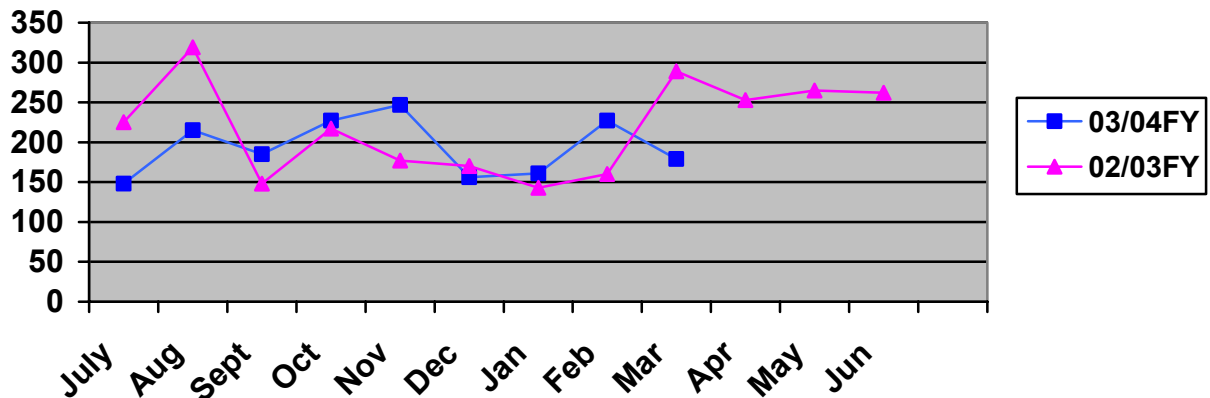
Government Claims Received



CONTRACT CLAIMS² – AVERAGE PROCESSING TIME

Fiscal Year Comparison	Month of March	Fiscal Year to Date	% Change from Prior FY
FY 03/04	179	190	0%
FY 02/03	289	189	

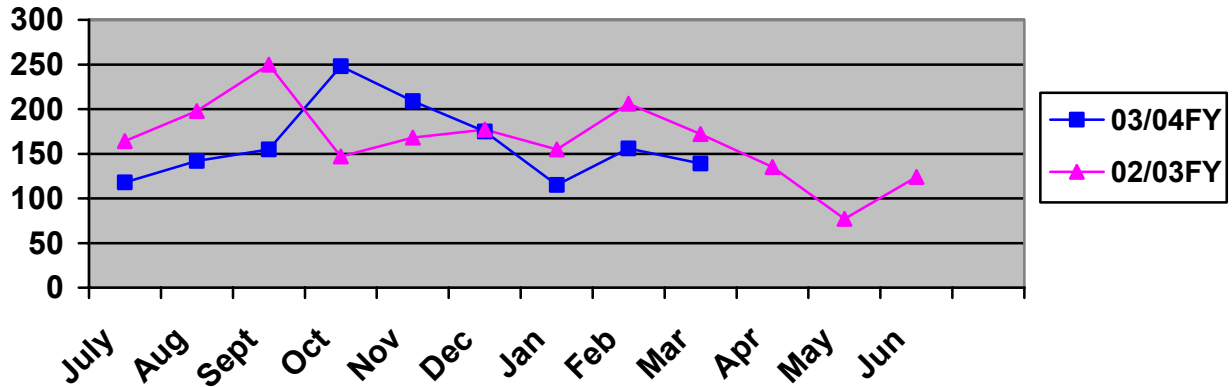
Contract Claims- Average Processing Time



EQUITY CLAIMS³ – AVERAGE PROCESSING TIME

Fiscal Year Comparison	Month of March	Fiscal Year to Date	% Change from Prior FY
FY 03/04	139	167	-9%
FY 02/03	172	183	

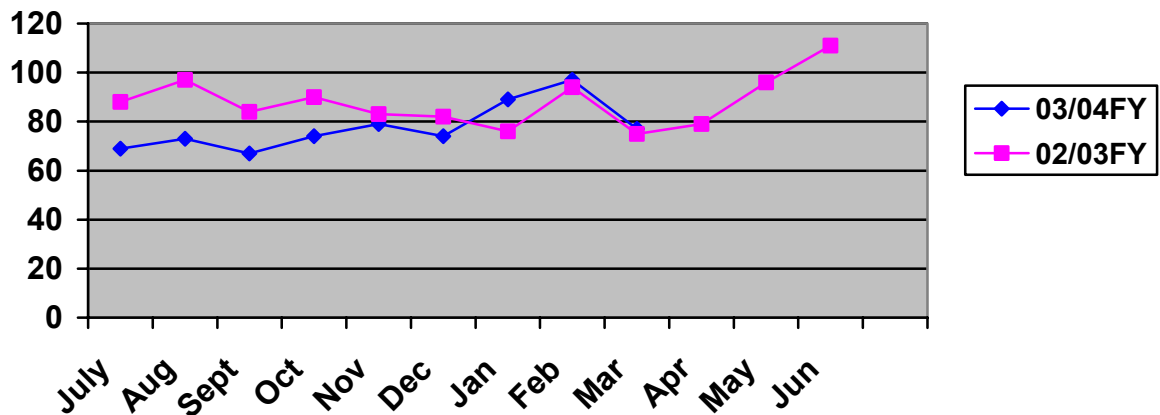
Equity Claims - Average Processing Time



TORT CLAIMS⁴ – AVERAGE PROCESSING TIME

Fiscal Year Comparison	Month of March	Fiscal Year to Date	% Change from Prior FY
FY 03/04	77	78	-9%
FY 02/03	75	87	

Tort Claims - Average Processing Time



¹ **VCP Application Processing Time** - We have changed the method for calculating the time it takes to process a claim to more closely follow the statute. For eighteen months we used the Federal Office for Victims of Crime's (OVC) definition of processing time. Their definition was, "The processing period begins when the compensation program first receives an application and ends when a check is mailed to or on behalf of an eligible victim. Count all calendar days during the processing period, including days in which the program is awaiting information, as well as the days from the time your program requests a check to be sent until the time the check is actually sent."

The OVC no longer uses that definition as part of their Victim Compensation Performance Report. The definition has inherent inaccuracies and does not address the entire program workload, as it does not include denied claims.

Therefore, we are using the method defined in Government Code 13958, which requires us to approve or deny completed applications within an average of 90 days of acceptance. Government Code 13952 requires our staff to determine whether an application contains all of the required information to make a decision, as defined in 649.9 of the California Code of Regulations. If an application is incomplete, staff contacts the victim to seek the missing information. The counting of processing time begins when we accept an application as complete and ends on the consent hearing date (the date the staff recommendation to award or deny a claim becomes the initial decision of the agency).

The EO Report shows the re-calculated average processing time for each month from July 2002 through February 2004.

² **Contract claims** -These are typically claims where a vendor has provided services to the State, but a purchase order or contract was not officially in place at the time the services were performed and, therefore, the affected agency does not have the authority to pay the invoice without the Board's approval.

³ **Equity Claims** - These are claims where there is no legal liability on the part of the State to pay, but for which the claimant has asked the Board to exercise its equity power to provide payment in fairness for the action or inaction of a State agency. Also included to a large degree are outdated warrants (State-issued checks that went un-cashed for more than 3 years).

⁴ **Tort Claims** -These are claims for damages filed against specific State agencies. These claims are generally rejected, but are a required administrative action to be taken by a claimant prior to bringing civil action against the State in a court of law. The filing of the Tort claim gives the State advance notice of potential future litigation.